92 14 8238
029408
Q-34948
10K
NQ2-2229

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Period Ended March 31, 1992

Commission File Number 33-30677-NY

PAUDAN, INC.
(Exact name of Registrant as specified in its charter)

NEW YORK	11-2931252
(State of other jurisdiction incorporation or organization)	(I.R.S. Employee of Identification number)

PAUDAN, INC.
3 Sturbridge Lane
Dix Hills, New York 11746
(Address of principal executive offices)

(516) 499-7694
(Registrant's telephone number, including area code)

RECEIVED
MAY 14 1992

Indicate by (X) whether Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Common Stock, $.001 par value. 375,000 shares outstanding as of March 31, 1992

Documents incorporated by reference: None.

BEST COPY AVAILABLE

PROCESSED BY
10-10-V
MAY 15 1992

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

PART I - FINANCIAL INFORMATION

Item 1. - Financial Statements:

The condensed financial statements included herein have been prepared by the Company's accountants, without audit, pursuant to the rules of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principals have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

Item 2. - Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion provides information concerning the liquidity and capital resources of the Registrant (the "Company") for the year ended December 31, 1991, and summarizes, in the opinion of the Company's management, the results of operations for its three month period ended March 31, 1992. For further information see the unaudited financial statements of the Company and the notes thereto.

LIQUIDITY AND CAPITAL RESOURCES

On March 12, 1990, the Company successfully completed a public offering of securities, resulting in gross proceeds of $300,000. At March 31, 1992, the Company had placed most of its assets into short-term Certificates of Deposit. Pending execution of a definitive agreement with respect to a proposed business combination, the Company's capital is considered adequate for all intended or anticipated expenses. The Company had no current commitments for capital expenditures as of March 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: May 12, 1992

PAUDAN, INC.

By: Paul D'Andrea
PAUL D'ANDREA, President
and Chief Financial Officer

RESULTS OF OPERATIONS

To date, the Company's sole source of revenue has been interest income. The Company earned interest income of $27,482 from inception (September 14, 1988) through March 31, 1992, and $1,792 for the three month period ended March 31, 1992 from the placement of proceeds therefrom in Certificates of Deposit and interest-bearing bank accounts. The Company's expenses of $2,859 for the first three months of fiscal 1992 is attributable primarily to professional and transfer fees. As a result of the foregoing and after accrual of $429 for income taxes, the Company lost $1,496 for the three months ended March 31, 1992.

Part II - Other Information.

Item 1. Legal Proceedings - None.

Item 2. Changes in Securities - None.

Item 3. Defaults Upon Senior Securities - None.

Item 4. Submissions of Matters to a Vote of Security Holders - None.

Item 5. Other Information - None.

Item 6. (a) Exhibits - None.

PAUDAN, INC.
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEET

	March 31 1992 (Unaudited)	December 31 1991
ASSETS		
CURRENT ASSETS		
Cash and temporary investments	$250,133	$ 251,114
TOTAL ASSETS	$250,133	$ 251,114
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accrued expenses	$ 2,669	$ 2,154
TOTAL CURRENT LIABILITIES	2,669	2,154
STOCKHOLDERS' EQUITY		
Common stock, $.001 par value 120,000,000 shares authorized, 375,000 shares issued and outstanding	375	375
Additional paid in capital	243,874	243,874
Income accumulated during development stage	3,215	4,711
TOTAL STOCKHOLDERS' EQUITY	247,464	248,960
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$250,133	$ 251,114

PAUDAN, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Income Accumulated During Development Stage	Total Stockholders' Equity
Issuance of shares to an officer and director of the Company for cash, September 14, 1988	75,000	$ 75	$ 4,925	$	$ 5,000
Net loss from inception (September 14, 1988) to December 31, 1988				(349)	(349)
Net loss for the year ended December 31, 1989				(284)	(284)
Balance, December 31, 1989	75,000	75	4,925	(633)	4,367
Public offering of common stock and warrants	300,000	300	299,700		300,000
Offering costs			(60,781)		(60,781)
Sale of underwriter's warrants			30		30
Net loss for the year ended December 31, 1990				(84)	(84)
Balance, December 31, 1990	375,000	375	243,874	(717)	243,532
Net income for the year ended December 31, 1991				5,428	5,428
Balance, December 31, 1991	375,000	375	243,874	4,711	248,960
Net loss for the three months ended March 31, 1992 (unaudited)				(1,496)	(1,496)
Balance, March 31, 1992 (unaudited)	375,000	$ 375	$ 243,874	$ 3,215	$ 247,464

PAUDAN, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF OPERATIONS
(UNAUDITED)

	For The Three Months Ended March 31		From Inception September 14, 1988 To
	1992	1991	March 31, 1992
REVENUE			
Interest	$ 1,792	$ 4,213	$27,482
EXPENSES			
Transfer fees	300	565	2,748
Professional	2,559	400	16,922
Travel			1,250
Miscellaneous		33	393
TOTAL	2,859	998	21,313
INCOME (LOSS) BEFORE INCOME TAXES	(1,067)	3,215	6,169
INCOME TAXES	429	429	2,954
NET INCOME (LOSS)	$(1,496)	$ 2,786	$ 3,215
EARNINGS PER SHARE			
Income (loss) per share	NIL	NIL	$ .01
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	375,000	375,000	248,977

PAUDAN, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF CASH FLOWS
(UNAUDITED)

	For The Three Months Ended March 31		From Inception September 14, 1988 To
	1992	1991	March 31, 1992
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	$(1,496)	$ 2,786	$ 3,215
Increase (decrease) in accrued expenses	515	(866)	2,669
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(981)	1,920	5,884
CASH FLOWS FROM FINANCING ACTIVITIES			
Sale of common stock			375
Additional paid in capital			304,625
Payment of offering costs			(60,781)
Sale of underwriter's warrants			30
NET CASH PROVIDED BY FINANCING ACTIVITIES			244,249
NET INCREASE (DECREASE) IN CASH	(981)	1,920	250,133
CASH, BEGINNING OF PERIOD	251,114	246,526	
CASH, END OF PERIOD	$ 250,133	$ 248,446	$ 250,133

PAUDAN, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1992
(UNAUDITED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND DIVIDEND POLICY

The Company was incorporated under the laws of the State of New York on September 14, 1988. The Company is in the development stage, and has not commenced planned principal operations. The fiscal year of the corporation is December 31. The Company has, at the present time, not paid any cash dividends and any dividends that may be paid in the future will depend upon the financial requirements of the Company and other relevant factors.

The financial data for the three months ended March 31, 1992 and 1991 and the period September 14, 1988 (commencement of development stage) through March 31, 1992 is unaudited, but includes all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the results of operations for such periods.

RELATED PARTY TRANSACTIONS

The Company maintains its business office rent free at the office of its President, 3 Sturbridge Lane, Dix Hills, New York 11746. The Company will use these offices until such time as it is required to find its own space.

Paul D'Andrea, the President and a Director of the Company purchased 75,000 shares of the Company for $5,000 on September 14, 1988. These shares represent a 20% ownership in the Company.

Alfred Romano, the Secretary and a director of the Company, is an officer, a director and/or a principal shareholder of Metatech, Inc. and Procap, Inc. All of such companies have been organized as blind pools to engage in activities similar to those of the Company.

NOTE 2: CAPITAL STOCK

As of March 31, 1992 the following warrants to purchase additional shares of common stock were outstanding:

NO. OF WARRANTS	NO. OF SHARES	EXERCISE PRICE	EXPIRATION DATE
300,000	300,000	$ 3.00	06/12/92
30,000	30,000	1.20	11/03/95